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August 16, 2005

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station, 2nd Floor Boston, MA 02110

Re: Investigation by the Department of Telecommunications and Energy on its Own Motion to Increase the Participation Rate for Discounted Electric, Gas and Telephone Service Pursuant to G.L. c. 159, § 105 and G.L. c. 164, § 76, D.T.E. 01-106

Dear Secretary Cottrell:

Please find attached proposed Residential Assistance Adjustment Clause ("RAAC") tariffs on behalf of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric ("NSTAR Electric" or the "Companies"). NSTAR Electric respectfully requests that the Department of Telecommunications and Energy (the "Department") approve the attached tariffs for effect September 1, 2005. The RAAC tariffs provide for the recovery of lost revenues that may accrue as the result of increased participation on the Companies' respective discount rates through the Companies' participation in the electronic customer data matching process with the Executive Office of Health and Human Services ("EOHHS") established by the Department in this proceeding. Filing fees of \$300 are included herein.

The Department has authorized the establishment of lost revenue reconciliation mechanisms to recover incremental revenue shortfalls associated with an electric or gas company's participation in the EOHHS data matching program until such time as the Department approves a comprehensive lost revenue recovery mechanism in a company's next base rate proceeding relating to discount rate participation. D.T.E. 01-106-B at 9. Accordingly, NSTAR Electric is proposing to recover lost revenues associated with participation in the EOHHS data matching program coincident with the date that new customers are enrolled automatically on the Companies' discount rates as a result of a data match with the EOHHS. The Companies have attached: (1) proposed RAAC tariffs for each NSTAR Electric operating company (see Boston Edison Company,

Letter to M. Cottrell August 16, 2005 Page 2

M.D.T.E. No. 110, Cambridge Electric Light Company, M.D.T.E. No. 210, Commonwealth Electric Company, M.D.T.E. No. 310); and (2) supporting schedules calculating a Residential Assistance Adjustment Factor ("RAAF") to be recovered from all customers in the respective Distribution Charges.

The RAAF for each of the NSTAR Electric companies has been estimated in this filing based on the initial results of the most recent quarterly NSTAR Electric customer database match with EOHHS, which resulted in an incremental 4,416 customers being eligible for enrollment on the Companies discount rates. These customers will be uniquely identified in the NSTAR Electric billing system and, going forward, each Company will track the difference between the actual distribution revenue for their usage under the Company's discount rate and the Company's non-discounted rates.

The RAAF shall be effective initially on the date on which the Companies commence enrolling new incremental customers on their respective Rate R-2 as a result of the EOHHS computer matching program. The RAAF will be subject to an initial adjustment on the first day of the next calendar year (e.g., January 1, 2006), with subsequent adjustments on the first day of each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

Thank you for your consideration of the attached tariffs. Please contact me or Kerry Britland at NSTAR Electric (781-441-8219) if you have any questions regarding this filing.

Since January 2005, the Companies have been actively participating in sharing their customer data with the EOHHS and the Department in a series of tests designed to maximize the efficiency and accuracy of the data sharing program. The EOHHS and the Department have developed codes to facilitate the identification of potential customers eligible for the Companies' discount rates based on the completeness of matching various company customer data fields with corresponding data fields in the EOHHS database. The Companies are aware that the Department has not made a final determination on which, or how many, match codes should be utilized by the companies to identify customers eligible for automatic discount rate enrollment. However, in order to receive Department approval of RAAC tariffs in time to allow lost revenue recovery coincident with the first enrollment of new incremental customers on the Companies' discount rates, the Companies have based their supporting schedules in this filing on the use of the most stringent match code under consideration, i.e., a match of: (1) full first name; (2) full last name; (3) street number; (4) street name; and (5) zip code (i.e., "Match 1"). Should the Department determine that additional customers should be eligible for automatic enrollment based on their identification through less stringent match codes, the Companies will file updated supporting schedules at that time that calculate RAAFs based on those additional incremental customer figures.

Incremental customers for each NSTAR Electric company total: (1) 3,592 for Boston Edison Company; (2) 190 for Cambridge Electric Light Company; and (3) 634 for Commonwealth Electric Company.

Very truly yours,

David S. Rosenzweig

cc: Andrew Kaplan, General Counsel

Jeanne Voveris, Hearing Officer

Elizabeth Cellucci, Hearing Officer

Ron LeComte, Director, Electric Power Division

George Yiankos, Director, Gas Division

Kevin Brannelly, Director, Rates Division

Joseph Rogers, Chief, Utilities Division, Office of the Attorney General

Service List, D.T.E. 01-106

Enclosures

Page 1 of 2

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Boston Edison Company ("Boston Edison" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rate (Rate R-2) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 **Applicability**

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

Effective Date of Annual Adjustment Factor 1.03

The Residential Assistance Adjustment Factor ("RAAF") shall be effective initially on the date on which the Company commences enrolling new incremental customers on its Rate R-2 as a result of the EOHHS computer matching program. The RAAF will be subject to an initial adjustment on the first day of the next calendar year, with subsequent adjustments on the first day of each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 **Definitions**

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- "Distribution Company" or "Company" is Boston Edison Company d/b/a NSTAR Electric (1) Company.
- "Prior Year" is the twelve-month period immediately prior to the effective date of a proposed (2) RAAF.

Issued by:

Thomas J. May President

Filed:

August 16, 2005 September 1, 2005

Effective:

Page 2 of 2

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.05 Residential Assistance Adjustment Factor Formula

 $RAAF_x = [(RA_x) + Cust(DCust\$_x) + Cust(AvgkWh)(DkWh\$)]/FkWh_x$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue calculations for the actual customers participating in the Company's discounted rates as a direct result of the EOHHS computer matching program and those customers' actual monthly usage as recorded in the Company's billing data base. Interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated increase in number of participating customers as a result of the Company's participation in the EOHHS computer matching program

AvgkWh = The estimated average kWh usage per customer for the forecast period determined from the most recent historical kWh usage under the Company's Residential Assistance Rate.

DCust\$ = The difference between the non-discounted and discounted customer charge for the applicable rates

DkWh\$= The difference between the non-discounted and discounted kWh charges for the applicable rates.

 $FkWh_x =$ The estimated kWh in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

Issued by:

Thomas J. May

President

Filed:

August 16, 2005

Effective: September 1, 2005

Page 1 of 2

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Cambridge Electric Light Company ("Cambridge" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective initially on the date on which the Company commences enrolling new incremental customers on its Rate R-2 and Rate R-4 as a result of the EOHHS computer matching program. The RAAF will be subject to an initial adjustment on the first day of the next calendar year, with subsequent adjustments on the first day of each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- "Distribution Company" or "Company" is Cambridge Electric Light Company d/b/a NSTAR Electric Company.
- (2) "Prior Year" is the twelve-month period immediately prior to the effective date of a proposed RAAF.

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Thomas J. May President Filed: Effective:

August 16, 2005 September 1, 2005

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.05 Residential Assistance Adjustment Factor Formula

 $RAAF_x = [(RA_x) + Cust(DCust_x) + Cust(AvgkWh)(DkWh_x)]/FkWh_x$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue calculations for the actual customers participating in the Company's discounted rates as a direct result of the EOHHS computer matching program and those customers' actual monthly usage as recorded in the Company's billing data base. Interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated increase in number of participating customers as a result of the Company's participation in the EOHHS computer matching program

AvgkWh = The estimated average kWh usage per customer for the forecast period determined from the most recent historical kWh usage under the Company's Residential Assistance Rates.

DCust\$ = The difference between the non-discounted and discounted customer charge for the applicable rates

DkWh\$= The difference between the non-discounted and discounted kWh charges for the applicable rates.

 $FkWh_x =$ The estimated kWh in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

Issued by:

Thomas J. May

President

Filed:

August 16, 2005

Effective: September 1, 2005

Page 1 of 2

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Commonwealth Electric Company ("Commonwealth" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective initially on the date on which the Company commences enrolling new incremental customers on its Rate R-2 and Rate R-4 as a result of the EOHHS computer matching program. The RAAF will be subject to an initial adjustment on the first day of the next calendar year, with subsequent adjustments on the first day of each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Commonwealth Electric Company d/b/a NSTAR Electric Company.
- (2) "Prior Year" is the twelve-month period immediately prior to the effective date of a proposed RAAF.

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President

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.05 Residential Assistance Adjustment Factor Formula

 $RAAF_x = [(RA_x) + Cust(DCust\$_x) + Cust(AvgkWh)(DkWh\$)]/FkWh_x$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue calculations for the actual customers participating in the Company's discounted rates as a direct result of the EOHHS computer matching program and those customers' actual monthly usage as recorded in the Company's billing data base. Interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with

220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated increase in number of participating customers as a result of the Company's participation in the EOHHS computer matching program

AvgkWh = The estimated average kWh usage per customer for the forecast period determined from the most recent historical kWh usage under the Company's Residential

Assistance Rates.

DCust\$ = The difference between the non-discounted and discounted customer charge for the applicable rates

DkWh\$= The difference between the non-discounted and discounted kWh charges for the applicable rates.

 $FkWh_x =$ The estimated kWh in the forecast period.

1.06 <u>Information Required to be Filed with the Department</u>

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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Thomas J. May

President

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			n Edison Co						
		Low Inco	ome Adjustm	ent (R	AAF)				
									· · · · · · · · · · · · · · · · · · ·
		-			Winter	Summer			
		-	Incremental		Incremental	Incremental			
lino#	Rate R-2 Non-Heating		Customers	(a)	kWh/Cust	kWh/Cust			
1	Monthly Billing Quantities	 	3,437		440	440	Reflects avera	ge year 2004 usage	
	Working Samuel								
3		1	\$/Cust		\$/kWh	<u>\$/kWh</u>			
4	Rate R-1	 	6.43		0.03912	0.03912	Reflects July 1	, 2005 distrib	ution rates
$-\frac{7}{5}$	Rate R-2		3.91		0.00945	0.00945	Reflects July 1	, 2005 distrib	ution rates
6	Difference		2.52		0.02967	0.02967			
7	Difference			-					
	Monthly Revenue Diff.	\$	8,661		\$ 44,869	\$ 44,869	Line 1 x Line 6	S	
_ 0	Months	+	12		8	4			
_ 9 _	Annual Revenue Differen	ce \$	103,935		\$ 358,955	\$ 179,477	Line 8 x Line 9)	
11	Allitual Nevertue Differen	1							
12					Winter	Summer			
13		-	Incremental		Incremental	Incremental			
14	Rate R-2 Heating		Customers		kWh/Cust	kWh/Cust			
	Monthly Billing Quantities		155	(4)	920	920	Reflects avera	age year 2004	1 usage
15	Monthly Billing Quantities	<u> </u>							
16		-	\$/Cust		\$/kWh	\$/kWh			
17	D-1- D 0		6.43		0.03151	0.0391	Reflects July	1, 2005 distrit	oution rates
18	Rate R-3	 	3.91		0.00553	0.00717	Reflects July	1, 2005 distrit	oution rates
19	Rate R-2		2.52		0.02598	0.03193			
20	Difference		2.02	`	0.02000	0.00			
21	5:4		391		\$ 3,705	\$ 4,553	Line 15 x Line	20	
22	Revenue Difference	\$	12	-	8	Ψ 1,000			
23	Months				\$ 29,638	\$ 18.213	Line 22 x Line	23	
24	Annual Revenue Differer	ice \$	4,007	-	\$ 23,030	Ψ 10,210	Ellio 22 X allix		
25			694,905	 			Line 10 + Line	a 24 (all colur	nns)
26	Total Revenue Difference	e \$		 			RA	2.7 (4.17 4.41.41	T
27	Prior Year Adjustment	\$						- 07	-
28	Total Revenue for Recovery		\$ 694,905		 		Line 26 + Line		ol usogs
29	Total kWh		15,135,773,480		<u> </u>		Reflects projected year total usa		ai usage
30	RAAF Adjustment	\$	0.00005	/kWh			Line 28 / Line	5 7 8	
Notes:				-					
/2	Results of EOHHS custo	mer matching p	rocess usina 2	Q 2005	customer data.				
(a	The suits of Lot it to custo			T					

	 	1 60	v Income	lectric Lig e Adjustm	ent (R	AAF)						
		LOV	VILLOUIT	3 Adjustin	<u> </u>	, , , ,						
					-				+			
						1/	inter	Summe	r			
				ncremental		Increm		Incrementa				
				Customers	(0)		Cust	kWh/Cus				
_ine #	Rate R-2			189	(a)	KVVII	360	36		Reflects average	ge year 2004	usage
_1	Monthly Billing Q	uantities	_	109			300			1		
2				\$/Cust		•	/kWh	\$/kW	h			
3				6.87				0.0253		Reflects July 1	, 2005 distrib	ution rates
4	Rate R-1			4.51		0.02539		0.0038		Reflects July 1, 2005 distribut		
5	Rate R-2			2.36			2159	0.0215				Ī
6	Difference			2.30		0.0	2.00	0.52.10	-			
7		516	\$	446	-	\$ 1	,469	\$ 1,469	9	Line 1 x Line 6		
8	Monthly Revenue	Ditt.	 	12		9	8		4			
9	Months			5,352		\$ 11	,752	\$ 5,87		Line 8 x Line 9)	
10	Annual Revenue	Difference	\$	5,352		3 1	,102	- 				
11							Vinter	Summ	er			
12						Incren		Increment		-		1
13				Incremental	(0)			kWh/Cu	~			
14	Rate R-4			Customers	(a)	kWh/Cust 697		69		Reflects average year 2004 usage		4 usage
15_	Monthly Billing C	uantities		1		<u> </u>	091		-	(tollook u.)	9-7-	T
16				0/04		<u> </u>	/kWh	\$/kV	/h			1
17				\$/Cust	<u> </u>		03031	0.030		Reflects July	1 2005 distrib	bution rates
18	Rate R-3			7.77			00619	0.006		Reflects July		
19	Rate R-4			5.09			02412	0.024	-	Tronsole dell	,	T
20	Difference			2.68		<u> </u>	J2412	0.024				
21					 	•	17	\$ 1	7	Line 15 x Line	20	
22	Revenue Differe	nce	\$	3	ļ	\$	8	Ψ '	4			
23	Months			12		6	134	\$ 6	7	Line 22 x Line	≥ 23	
24	Annual Revenue	e Difference	\$	32	<u> </u>	\$	134	φ	<u>'</u>	LIIO ZZ X EIIA	· 	
25					ļ	 				Line 10 + Line	e 24 (all colu	ımns)
26	Total Revenue I		\$	23,214	 	 		_		RA		1
27	Prior Year Adjustment		\$								L	
28	Total Revenue for Recovery		\$	1 T					Line 26 + Line 27			lal usage
29	Total kWh		1,6	1,647,827,088						Reflects projected year to		ai usage
30			\$	0.00001	/kWh					Line 28 / Line	29	
	1.20											

	Commonwealth Electric Company Low Income Adjustment (RAAF)											
										-		
						N	/inter		Summer			
				Incremental		Increm	ental	İı	ncremental			
	Rate R-2 Annu			Customers	(a)	kWh/	/Cust		kWh/Cust			
	Monthly Billing	Quantities		602			467		467	Reflects avera	age year 200	4 usage
2	ļ											
3 4	Data D 1			\$/Cust			/kWh		\$/kWh			
_ _4	Rate R-1 Rate R-2			3.73			4614		0.04614	Reflects July		
6	Difference			<u>2.21</u>	·	~~~	2054		0.02054	Reflects July	1, 2005 distri	bution ra
7	Difference			1.52	ļ	0.0	2560		0.02560			
8	Monthly Reven	ue Diff		045	<u> </u>	e -	407				L	
9	Months	ue Dill.	\$	915 12	 	\$ 7	197	\$	7,197	Line 1 x Line 6	3	
10	Annual Revenu	e Difference	\$	10,980		¢ 57	8 576	-	4		<u> </u>	1
11		- Directoring	- J	10,900	-	\$ 57,	,576	\$	28,788	Line 8 x Line 9	3	-
12				·		14	/inter		Summer			-
13				Incremental		Increm		- Ir	cremental			
14	Rate R-2 Seas	onal	_	Customers		kWh/			kWh/Cust			
15	Monthly Billing			-	(α)	KAAIII	423		423	Pofloata puers	200	
16	, ,		·				723		423	Reflects avera	ige year 200	4 usage
17			-	\$/Cust		\$/	⁄kWh		\$/kWh	-		-
18	Rate R-1 (s)			3.73			8036		0.08036	Reflects July 1	1 2006 dietri	bution cot
19	Rate R-2 (s)			2.21			3986		0.03986	Reflects July 1		
20	Difference			1.52			4050		0.04050	Troncols say	1, 2000 distri	Dallottrac
21												
22	Monthly Revenu	ue Diff.	\$	•		\$	-	\$	-	Line 13 x Line	18	-
23	Months			12			8		4			-
24	Annual Revenu	e Difference	\$	-		\$	-	\$	-	Line 20 x Line	21	1
25												
26						W	inter		Summer			
27				ncremental		Increme	ental	ir	cremental			
	Rate R-4 Heati			<u>Customers</u>	(a)	kWh/	Cust		kWh/Cust			
	Monthly Billing	Quantities		32		1,	053		1,053	Reflects avera	ige year 200	4 usage
30												
31	D-4- D 0			\$/Cust			<u>kWh</u>		\$/kWh			
	Rate R-3			10.03			2718		0.02718	Reflects July 1		
	Rate R-4			5.87			0968	-	0.00968	Reflects July 1	, 2005 distril	oution rate
35	Difference			4.16		0.0	1750		0.01750			1
	Revenue Differe	nco		400		•	500					
	Months	SHOE	\$	133	-	\$	590	\$	590	Line 25 x Line	30	-
	Annual Revenue	Difference		12		• •	8		4	<u> </u>		1
39	A A A I GARAGE	- Difference	\$	1,597		\$ 4,	717	\$	2,359	Line 32 x Line	33	-
	Total Revenue (Difference	\$	106,018		-				110 122		
	Prior Year Adjus		\$	100,010				-		L10 + L22 + L3	34 (all colum	ins)
42				100.010				_		RA		ļ
43	Total Revenue for Recovery Total kWh		\$ 106,018 4,230,814,861							Line 36 + Line		
	RAAF Adjustment				//c\ A //-					Reflects project		al usage
77	rava rajustille	111	\$	0.00003	WAALI					Line 38 / Line :	39	